

Attachment II

Infrastructure Financing Districts Proposed Trailer Bill Language

SECTION 1. ~~Government Code section 53395 is amended to read:~~

~~53395. (a) The Legislature finds and declares that the state and federal governments have withdrawn in whole or in part from their former role in financing major, regional, or communitywide infrastructure, including highways and interchanges, sewage treatment and water reclamation works, water supply and treatment works, flood control and drainage works, schools, libraries, parks, parking facilities, open space, and seismic retrofit and rehabilitation of public facilities.~~

~~—(b) The Legislature further finds and declares that the methods available to local agencies to finance public works often place an undue and unfair burden on buyers of new homes, especially for public works that benefit the broader community.~~

~~—(c) The Legislature further finds and declares that the absence of practical and equitable methods for financing both regional and local public works leads to a declining standard of public works, a reduced quality of life and decreased safety for affected citizens, increased objection to otherwise desirable development, and excessive costs for homebuyers.~~

~~—(d) The Legislature further finds and declares that it is equitable and in the public interest to provide alternative procedures for financing public works and services needed to meet the needs of new housing and other development projects.~~

~~—(e) The Legislature further finds and declares that with the dissolution of redevelopment agencies, public benefits will accrue if local agencies, excluding schools, are provided a means to finance the reuse and revitalization of former military bases, fund the creation of transit priority projects and the implementation of sustainable communities plans, construct and rehabilitate affordable housing units, and construct facilities to house providers of consumer goods and services in the communities served by these efforts.~~

SEC 2. ~~Government Code section 53395.1 is amended to read:~~

~~53395.1. Unless the context otherwise requires, the definitions contained in this article shall govern the construction of this chapter.~~

~~—(a) "Affected taxing entity" means any governmental taxing agency which levied or had levied on its behalf a property tax on all or a portion of the property located in the proposed district in the fiscal year prior to the designation of the district, but not including any county office of education, school district, or community college district.~~

~~—(b) "City" means a city or a city and county.~~

~~—(c) "Debt" means any binding obligation to repay a sum of money, including obligations in the form of bonds, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals.~~

~~—(d) "Designated official" means the city or county engineer or other appropriate official designated pursuant to Section 53395.13.~~

~~—(e) (1) "District" means an infrastructure financing district.~~

~~—(2) An infrastructure financing district is a "district" within the meaning of Section 1 of Article XIII A of the California Constitution.~~

~~—(f) "Infrastructure financing district" means a legally constituted governmental entity separate and distinct from the city, county, or city and county that established it pursuant to this chapter for the sole purpose of financing public facilities or other projects as authorized by this chapter.~~

An infrastructure financing district shall be a "local agency" for purposes of Chapter 9 (commencing with Section 54950).

- ~~—(g) "Landowner" or "owner of land" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of the land by the legislative body. The legislative body has no obligation to obtain other information as to the ownership of land, and its determination of ownership shall be final and conclusive for the purposes of this chapter. A public agency is not a landowner or owner of land for purposes of this chapter, unless the public agency owns all of the land to be included within the proposed district.~~
- ~~—(h) "Legislative body" means the city council or board of supervisors.~~

SEC 3. Government Code section 53395.3 is amended to read:

53395.3. (a) (1) A district may finance (1) the any of the following:

~~—(A) The purchase, construction, expansion, improvement, seismic retrofit, or rehabilitation of any real or other tangible property with an estimated useful life of 15 years or longer which satisfies the requirements of subdivision (b); (2) may finance planning (b)~~

~~—(B) The planning and design work which is directly related to the purchase, construction, expansion, or rehabilitation of that property and (3) the property~~

~~—(C) The costs described in Sections 53395.5, and 53396.5. A district may only finance the purchase of facilities for which construction has been completed, as determined by the legislative body. The~~

~~—(2) The facilities need not be physically located within the boundaries of the district. A district may not finance routine maintenance, repair work, or the costs of ongoing operation or providing services of any kind.~~

~~—(b) The district shall finance only public capital facilities or other specified projects of communitywide significance, which provide significant benefits to an area larger than the area of the district or the surrounding community, including, but not limited to, all of the following:~~

~~—(1) Highways, interchanges, ramps and bridges, arterial streets, parking facilities, and transit facilities.~~

~~—(2) Sewage treatment and water reclamation plants and interceptor pipes.~~

~~—(3) Facilities for the collection and treatment of water for urban uses.~~

~~—(4) Flood control levees and dams, retention basins, and drainage channels.~~

~~—(5) Child care facilities.~~

~~—(6) Libraries.~~

~~—(7) Parks, recreational facilities, and open space.~~

~~—(8) Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles.~~

~~—(9) Brownfields restoration and other environmental mitigation.~~

~~—(10) The development of projects on a former military base, provided that the projects are consistent with the military base authority reuse plan and are approved by the military base reuse authority, if applicable.~~

~~—(11) The repayment of the transfer of funds to a military base reuse authority pursuant to Section 67851 that occurred on or after the creation of the district.~~

~~—(12) The acquisition, construction, or rehabilitation of housing for rental or purchase.~~

~~—(13) The purchase of land, property or buildings for the development of facilities to house providers of consumer goods or services, or the provision of funding to assist in the development of such facilities. Facilities developed pursuant to this paragraph which are not located in transit priority project areas shall not exceed a gross internal area of 60,000 square feet. Any facility developed pursuant to this paragraph that exceeds 30,000 square feet in gross internal area shall devote at least 75 percent of its indoor retail space to the sale of grocery items. For purposes of this paragraph, "consumer goods" shall not include automobiles.~~

~~–(14) Acquisition, construction, or repair of industrial structures for private use.~~
~~–(15) Transit priority projects, as defined in Section 21155 of the Public Resources Code, that are located within a transit priority project area. For purposes of this paragraph, a transit priority project area may include a military base reuse plan that meets the definition of a transit priority project area and it may include a contaminated site within a transit priority project area.~~
~~–(16) Projects that implement a sustainable communities strategy, when the State Air Resources Board, pursuant to Chapter 2.5 (commencing with Section 65080) of Division 2 of Title 7, has accepted a metropolitan planning organization's determination that the sustainable communities strategy or the alternative planning strategy would, if implemented, achieve the greenhouse gas emission reduction targets.~~
~~–(17) Infrastructure improvements and other work necessary to expand telecommunications network access to persons residing within the district's boundaries.~~
~~–(c) Any district which that constructs dwelling units outside the boundaries of a transit priority project area, or outside the parameters of a sustainable communities strategy shall set aside not less than 20 percent of those units to increase and improve the community's supply of low- and moderate-income housing available at an affordable housing cost, as defined by Section 50052.5 of the Health and Safety Code, to persons and families of low- and moderate-income, as defined in Section 50093 of the Health and Safety Code.~~
~~–(1) The district shall require, by recorded covenants or restrictions, that housing units built pursuant to this section shall remain available at affordable housing costs to, and occupied by, persons and families of low- or moderate-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for owner-occupied units.~~
~~–(d) A district may utilize any powers under the Polanco Redevelopment Act (Article 12.5 (commencing with Section 33459) of Chapter 4 of Part 1 of Division 24 of the Health and Safety Code), and finance any action necessary to implement that Act.~~

SEC 4. Government Code section 53395.3.4 is added to read:

~~53395.3.4 (a) A city, county, or city and county that created a redevelopment agency, as defined in Section 33003 of the Health and Safety Code, shall neither initiate creation of a district, or participate in the governance or financing of a district, until it receives certification from the Department of Finance that each of the following has occurred:~~
~~–(1) The successor agency for the former redevelopment agency created by the city, county or city and county has received a finding of completion, as specified in Section 34179.7 of the Health and Safety Code.~~
~~–(2) The state and the successor agency for the former redevelopment agency created by the city, county or city and county, or if applicable the designated local authority for the former redevelopment agency, have resolved all litigation, related to Part 1.8 (commencing with Section 34161) or Part 1.85 (commencing with Section 34170) of the Health and Safety Code, either through settlement or through the final determination, including all appeals, of a competent court of law.~~
~~–(3) The state and the entity that created the former redevelopment agency have resolved all litigation, related to Part 1.8 (commencing with Section 34161) or Part 1.85 (commencing with Section 34170) of the Health and Safety Code, either through settlement or through the final determination, including all appeals, of a competent court of law. For purposes of this paragraph, "entity that created the former redevelopment agency" shall also include entities as defined in Section 34167.10 of the Health and Safety Code.~~
~~–(4) The State Controller's Office has completed its review as specified in Section 34167.5 and Section 34178.8 of the Health and Safety Code.~~

~~—(5) The successor agency and the entity that created the former redevelopment agency have complied with all State Controller's Office findings and orders stemming from the reviews as specified in paragraph (4).~~

~~—(b) A city, county, or city and county shall submit its certification request to Finance, in the form and manner specified by the department. Within 10 business days of receiving a certification request, the department shall provide the certification or shall notify the requesting entity of the reason why the certification is being denied. The department shall not deny a certification if the requesting entity and successor agency have complied with paragraphs (1) to (5), inclusive, of subdivision (a).~~

~~—(c) Subdivision (a) shall not be construed to limit a city, county, or city and county that created a district prior to January 1, 2015 the effective date of this legislation, from participating in, or governing that preexisting district.~~

SEC 5. Government Code section 53395.4 is amended to read:

53395.4. (a) A district may not include any portion of a former redevelopment project area which is or has been that was previously created pursuant to Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code¹, whether the creation is or was proper or improper. A redevelopment project area may not include any portion of a district created pursuant to this chapter, provided that the city, county, or city and county that created the former redevelopment agency has received a certification from the Department of Finance pursuant to Section 53395.3.4.

~~—(b) A district may finance only the facilities or services authorized in this chapter to the extent that the facilities or services are in addition to those provided in the territory of the district before the district was created. The additional facilities or services may not supplant facilities or services already available within that territory when the district was created but may supplement, rehabilitate, upgrade, or make more sustainable those facilities. those facilities and services as needed to serve new developments.~~

~~—(c) A district may include areas which are not contiguous.~~

SEC 6. Government Code section 53395.5 is amended to read:

53395.5. It is the intent of the Legislature that the area creation of the districts created be substantially undeveloped, and the establishment of a district should not ordinarily lead to the removal of existing dwelling units. If, however, any dwelling units are proposed to be removed or destroyed in the course of private development or public works construction within the area of the district, the legislative body shall do all of the following:

~~—(a) Within four years of the removal or destruction, cause or require the construction or rehabilitation, for rental or sale to persons or families of low or moderate income, of an equal number of replacement dwelling units at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, within the territory of the district if the dwelling units removed were inhabited by persons or families of low or moderate income, as defined in Section 50093 of the Health and Safety Code.~~

~~—(b) Within four years of the removal or destruction, cause or require the construction or rehabilitation, for rental or sale to persons of low or moderate income, a number of dwelling units which is at least one unit but not less than 20 percent of the total dwelling units removed at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, within the territory of the district if the dwelling units removed or destroyed were not inhabited by persons of low or moderate income, as defined in Section 50093 of the Health and Safety Code.~~

~~—(c) Provide relocation assistance and make all the payments required by Chapter 16 (commencing with Section 7260) of Division 7 of Title 1, to persons displaced by any public or~~

private development occurring within the territory of the district. This displacement shall be deemed to be the result of public action.

—(d) Ensure that removal or destruction of any dwelling units occupied by persons or families of low or moderate income not take place unless and until there are suitable housing units, at comparable cost to the units from which the persons or families were displaced, available and ready for occupancy by the residents of the units at the time of their displacement. The housing units shall be suitable to the needs of these displaced persons or families, and shall be decent, safe, sanitary, and otherwise standard dwellings.

~~—(e) (1) The district shall require, by recorded covenants or restrictions, that housing units built pursuant to this section shall remain available at affordable housing costs to, and occupied by, persons and families of low- or moderate-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for owner-occupied units.~~

~~—(2) In lieu of a 45-year covenant or restriction, the district may subject owner-occupied units to an equity sharing agreement described in paragraph (2) of subdivision (c) of Section 65915.~~

SEC 7. Government Code section 53395.10 is amended to read:

53395.10. A legislative body of a city, county, or city and county may designate one or more proposed infrastructure financing districts pursuant to this chapter. Proceedings for the establishment of a district shall be instituted by the adoption of a resolution of intention to establish the proposed district and shall do all of the following:

—(a) State that an infrastructure financing district is proposed to be established under the terms of this chapter and describe the boundaries of the proposed district, which may be accomplished by reference to a map on file in the office of the clerk of the city.

—(b) State the type of public facilities and development proposed to be financed or assisted by the district. The district may only finance public facilities authorized by in accordance with Section 53395.3.

~~—(c) State the need for the district and the goals the district proposes to achieve.~~

~~—(c) (d) State that incremental property tax revenue from the city, county, or city and county and some or all affected taxing entities within the district, if approved by resolution pursuant to Section 53395.19, may be used to finance these public facilities activities.~~

~~—(d) (e) Fix a time and place for a public hearing on the proposal.~~

SEC 8. Government Code section 53395.14 is amended to read:

53395.14. After receipt of a copy of the resolution of intention to establish a district, the official designated pursuant to Section 53395.13 shall prepare a proposed infrastructure financing plan. The infrastructure financing plan shall be consistent with the general plan of the city, county or city and county within which the district is located and shall include all of the following:

—(a) A map and legal description of the proposed district, which may include all or a portion of the district designated by the legislative body in its resolution of intention.

—(b) A description of the public facilities required to serve and other forms of development or financial assistance that is the development proposed in the area of the district, including those to be provided by the private sector, those to be provided by governmental entities without assistance under this chapter, those public improvements and facilities to be financed with assistance from the proposed district, and those to be provided jointly. The description shall include the proposed location, timing, and costs of the development and financial assistance public improvements and facilities.

—(c) A finding from affected taxing entities is incorporated into the financing plan, a finding that the public facilities development and financial assistance are of communitywide significance and provide significant benefits to an area larger than the area of the district.

- ~~—(d) A financing section, which shall contain all of the following information:~~
- ~~—(1) A specification of the maximum portion of the incremental tax revenue of the city, county, or city and county and of each affected taxing entity proposed to be committed to the district for each year during which the district will receive incremental tax revenue. The portion need not be the same for all affected taxing entities. The portion may change over time.~~
- ~~—(2) A projection of the amount of tax revenues expected to be received by the district in each year during which the district will receive tax revenues, including an estimate of the amount of tax revenues attributable to each affected taxing entity for each year.~~
- ~~—(3) A plan for financing the public facilities to be assisted by the district, including a detailed description of any intention to incur debt.~~
- ~~—(4) A limit on the total number of dollars of taxes which may be allocated to the district pursuant to the plan.~~
- ~~—(5) (A) A date on which the district will cease to exist, by which time all tax allocation to the district will end. The date shall not be more than 30 45 years from the date on which the issuance of bonds is approved pursuant to subdivision (a) of Section 53397.6, or the issuance of a loan is approved by the governing board of a local agency pursuant to Section 53397.12, ordinance forming the district is adopted pursuant to Section 53395.23.~~
- ~~(B) Notwithstanding any other provision of law, if the issuance of bonds pursuant to subdivision (a) of Section 53397.6, or the issuance of a loan pursuant to Section 53397.12, has not occurred within 25 years of the date that the infrastructure financing plan is approved and adopted pursuant to Section 53397.23, the approval and adoption of the plan shall be rendered null and void, and the plan shall terminate.~~
- ~~—(6) An analysis of the costs to the city, county, or city and county of providing facilities and services to the area of the district while the area is being developed and after the area is developed. The plan shall also include an analysis of the tax, fee, charge, and other revenues expected to be received by the city or county as a result of expected development in the area of the district.~~
- ~~—(7) An analysis of the projected fiscal impact of the district and the associated development upon each affected taxing entity.~~
- ~~—(8) A plan for financing any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of that district and qualifies for the Transit Priority Project Program, pursuant to Section 65470, including any permit and affordable housing expenses related to the project.~~
- ~~—(e) If any dwelling units occupied by persons or families of low or moderate income are proposed to be removed or destroyed in the course of private development or public works construction within the area of the district, a plan providing for replacement of those units and relocation of those persons or families consistent with the requirements of Section 53395.5.~~
- ~~(f) The goals the district proposes to achieve for each project financed pursuant to Section 53395.3.~~

SEC 9. Government Code section 53395.23 is amended to read:

~~53395.23. After the canvass of returns of any election pursuant to Section 53395.20, the legislative body may, by ordinance, adopt the infrastructure financing plan and create the district with full force and effect of law, if two-thirds fifty five percent of the votes upon the question of creating the district are in favor of creating the district.~~

SEC 10. Government Code section 53395.24 is amended to read:

~~53395.24. After the canvass of returns of any election conducted pursuant to Section 53395.20, the legislative body shall take no further action with respect to the proposed infrastructure~~

financing district for one year from the date of the election if the question of creating the district fails to receive approval by two-thirds fifty-five percent of the votes cast upon the question.

SEC 11. Government Code section 53396 is amended to read:

53396. Any infrastructure financing plan may contain a provision that taxes, if any, levied upon taxable property in the area included within the infrastructure financing district each year by or for the benefit of the State of California, or any affected taxing entity after the effective date of the ordinance adopted pursuant to Section 53395.23 to create the district, shall be divided as follows:

—(a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the affected taxing entities upon the total sum of the assessed value of the taxable property in the district as shown upon the assessment roll used in connection with the taxation of the property by the affected taxing entity, last equalized prior to the effective date of the ordinance adopted pursuant to Section 53395.23 to create the district, shall be allocated to, and when collected shall be paid to, the respective affected taxing entities as taxes by or for the affected taxing entities on all other property are paid.

—(b) That portion of the levied taxes each year specified in the adopted infrastructure financing plan for the city or county and each affected taxing entity which has agreed to participate pursuant to Section 53395.19 in excess of the amount specified in subdivision (a) shall be allocated to, and when collected shall be paid into a special fund of, the district for all lawful purposes of the district. Unless and until the total assessed valuation of the taxable property in a district exceeds the total assessed value of the taxable property in the district as shown by the last equalized assessment roll referred to in subdivision (a), all of the taxes levied and collected upon the taxable property in the district shall be paid to the respective affected taxing entities. When the district ceases to exist pursuant to the adopted infrastructure financing plan, all moneys thereafter received from taxes upon the taxable property in the district shall be paid to the respective affected taxing entities as taxes on all other property are paid.

(c) Notwithstanding subdivisions (a) and (b), where any district boundaries overlap with the boundaries of any former redevelopment project area, any debt or obligation of a district shall be subordinate to any and all enforceable obligations of the former redevelopment agency, as approved by the Oversight Board and the Department of Finance. For the purposes of this chapter, the division of taxes allocated to the district pursuant to subdivision (b) of Section 53396 shall not include any taxes required to be deposited by the county auditor-controller into the Redevelopment Property Tax Trust Fund created pursuant to subdivision (b) of Section 34170.5 of the Health and Safety Code.

(d) The legislative body of the city forming the district may choose to dedicate any portion of its net available revenue to the district through the financing plan described in Section 53395.14.

(e) For the purposes of this section, "net available revenue" means periodic distributions to the city from the Redevelopment Property Tax Trust Fund, created pursuant to Section 34170.5 of the Health and Safety Code, that are available to the city after all preexisting legal commitments and statutory obligations funded from that revenue are made pursuant to Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code. "Net available revenue" shall not include any funds deposited by the county auditor-controller into the Redevelopment Property Tax Trust Fund or funds remaining in the Redevelopment Property Tax Trust Fund prior to distribution. Net available revenues shall not include any moneys payable to a school district that maintains kindergarten and grades 1 to 12, inclusive, community college districts, county office of education, or to the Educational Revenue Augmentation Fund, pursuant to paragraph (4) of subdivision (a) of Section 34183 of the Health and Safety Code.

SEC 12. Government Code section 53397.6 is amended to read:

~~53397.6. (a) The bonds may be issued if two-thirds fifty-five percent of the voters voting on the proposition vote in favor of issuing the bonds.~~

~~—(b) If the voters approve the issuance of the bonds as provided by subdivision (a), the legislative body shall proceed with the issuance of the bonds by adopting a resolution which shall provide for all of the following:~~

~~—(1) The issuance of the bonds in one or more series.~~

~~—(2) The principal amount of the bonds, which shall be consistent with the amount specified in subdivision (b) of Section 53397.2.~~

~~—(3) The date the bonds will bear.~~

~~—(4) The date of maturity of the bonds.~~

~~—(5) The denomination of the bonds.~~

~~—(6) The form of the bonds.~~

~~—(7) The manner of execution of the bonds.~~

~~—(8) The medium of payment in which the bonds are payable.~~

~~—(9) The place or manner of payment and any requirements for registration of the bonds.~~

~~—(10) The terms of call or redemption, with or without premium.~~

~~SEC 13. Government Code section 53397.12 is added to read:~~

~~Upon the approval of its governing board, a city, a county, a city and county, or a special district that contains territory within the boundaries of a district, may loan monies to the district to fund those activities described in the infrastructure financing plan approved and adopted pursuant to Section 53395.23. Monies loaned pursuant to this provision may be repaid at an interest rate that does not exceed the Local Agency Investment Fund rate that is in effect on the date that the loan is approved by the governing board.~~

~~SEC 14. Government Code section 53397.13 is added to read:~~

~~53397.12. (a) Every two years after the issuance of debt pursuant to section 53397.6, the district shall contract for an independent financial and performance audit. The audit shall be conducted according to guidelines established by the Controller. A copy of the completed audit shall be provided to the Controller, the Director of Finance, and to the Joint Legislative Budget Committee.~~

~~—(b) The Department of Finance shall be authorized to conduct financial and performance audits of districts, at the discretion of the Director of Finance. The results of such audits shall be provided to the district, the Controller, and the Joint Legislative Budget Committee.~~

SECTION 1. Government Code section 53398.50 is added to read:

53398.50. The Legislature finds and declares that with the dissolution of redevelopment agencies, public benefits will accrue if local agencies, excluding schools, are provided a means to finance the reuse and revitalization of former military bases, fund the creation of transit priority projects and the implementation of sustainable communities plans, construct and rehabilitate affordable housing units, and construct facilities to house providers of consumer goods and services in the communities served by these efforts.

SEC 2. Government Code section 53398.51 is added to read:

53398.51. Unless the context otherwise requires, the definitions contained in this article shall govern the construction of this chapter.

(a) "Affected taxing entity" means any governmental taxing agency which levied or had levied on its behalf a property tax on all or a portion of the property located in the proposed district in the fiscal year prior to the designation of the district, but not including any county office of education, school district, or community college district.

(b) "City" means a city or a city and county.

(c) "Debt" means any binding obligation to repay a sum of money, including obligations in the form of bonds, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals.

(d) "Designated official" means the city or county engineer or other appropriate official designated pursuant to Section 53398.62.

(e) (1) "District" means an enhanced infrastructure financing district.

(2) An enhanced infrastructure financing district is a "district" within the meaning of Section 1 of Article XIII A of the California Constitution.

(f) "Enhanced infrastructure financing district" means a legally constituted governmental entity separate and distinct from the city, county, or city and county that established it pursuant to this chapter for the sole purpose of financing public facilities or other projects as authorized by this chapter. An enhanced infrastructure financing district shall be a "local agency" for purposes of Chapter 9 (commencing with Section 54950).

(g) "Landowner" or "owner of land" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of the land by the legislative body. The legislative body has no obligation to obtain other information as to the ownership of land, and its determination of ownership shall be final and conclusive for the purposes of this chapter. A public agency is not a landowner or owner of land for purposes of this chapter, unless the public agency owns all of the land to be included within the proposed district.

(h) "Legislative body" means the city council or board of supervisors.

SEC 3. Government Code section 53398.52 is added to read:

53398.52. (a) (1) A district may finance any of the following:

(A) The purchase, construction, expansion, improvement, seismic retrofit, or rehabilitation of any real or other tangible property with an estimated useful life of 15 years or longer which satisfies the requirements of subdivision (b).

(B) The planning and design work which is directly related to the purchase, construction, expansion, or rehabilitation of property

(C) The costs described in Sections 53398.56 and 53398.57.

(2) The facilities need not be physically located within the boundaries of the district. However, any facilities financed outside of a district must have a tangible connection to the work of the district, as detailed in the infrastructure financing plan adopted pursuant to Section 53398.72.

(3) A district may not finance routine maintenance, repair work, or the costs of ongoing operation or providing services of any kind.

(b) The district shall finance only public capital facilities or other specified projects of communitywide significance, which provide significant benefits to the district or the surrounding community, including, but not limited to, all of the following:

(1) Highways, interchanges, ramps and bridges, arterial streets, parking facilities, and transit facilities.

(2) Sewage treatment and water reclamation plants and interceptor pipes.

(3) Facilities for the collection and treatment of water for urban uses.

- (4) Flood control levees and dams, retention basins, and drainage channels.
- (5) Child care facilities.
- (6) Libraries.
- (7) Parks, recreational facilities, and open space.
- (8) Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles.
- (9) Brownfields restoration and other environmental mitigation.
- (10) The development of projects on a former military base, provided that the projects are consistent with the military base authority reuse plan and are approved by the military base reuse authority, if applicable.
- (11) The repayment of the transfer of funds to a military base reuse authority pursuant to Section 67851 that occurred on or after the creation of the district.
- (12) The acquisition, construction, or rehabilitation of housing for rental or purchase.
- (13) The purchase of land, property or buildings for the development of facilities to house providers of consumer goods or services, or the provision of funding to assist in the development of such facilities. Facilities developed pursuant to this paragraph which are not located in transit priority project areas shall not exceed a gross internal area of 60,000 square feet. Any facility developed pursuant to this paragraph that exceeds 30,000 square feet in gross internal area shall devote at least 75 percent of its indoor retail space to the sale of grocery items. For purposes of this paragraph, "consumer goods" shall not include automobiles.
- (14) Acquisition, construction, or repair of industrial structures for private use.
- (15) Transit priority projects, as defined in Section 21155 of the Public Resources Code, that are located within a transit priority project area. For purposes of this paragraph, a transit priority project area may include a military base reuse plan that meets the definition of a transit priority project area and it may include a contaminated site within a transit priority project area.
- (16) Projects that implement a sustainable communities strategy, when the State Air Resources Board, pursuant to Chapter 2.5 (commencing with Section 65080) of Division 2 of Title 7, has accepted a metropolitan planning organization's determination that the sustainable communities strategy or the alternative planning strategy would, if implemented, achieve the greenhouse gas emission reduction targets.
- (17) Infrastructure improvements and other work necessary to expand telecommunications network access to persons residing within the district's boundaries.
- (18) The construction or rehabilitation of housing for persons of low and moderate income, as defined in Section 50093 of the Health and Safety Code.
- (c) Any district that constructs dwelling units shall set aside not less than 20 percent of those units to increase and improve the community's supply of low- and moderate-income housing available at an affordable housing cost, as defined by Section 50052.5 of the Health and Safety Code, to persons and families of low- and moderate-income, as defined in Section 50093 of the Health and Safety Code.
- (1) The district shall require, by recorded covenants or restrictions, that housing units built pursuant to this section, or built pursuant to Paragraph 18 of subdivision (b), shall remain available at affordable housing costs to, and occupied by, persons and families of low- or moderate-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for owner-occupied units.
- (d) A district may utilize any powers under the Polanco Redevelopment Act (Article 12.5 (commencing with Section 33459) of Chapter 4 of Part 1 of Division 24 of the Health and Safety Code), and finance any action necessary to implement that Act.

SEC 4. Government Code section 53398.53 is added to read:

53398.53. Notwithstanding subdivision (b) of Section 53398.52, a district may reimburse a developer of a project that is located entirely within the boundaries of that district for any permit expenses incurred and to offset additional expenses incurred by the developer in constructing affordable housing units pursuant to the Transit Priority Project Program established in Section 65470.

SEC 5. Government Code section 53398.54 is added to read:

53398.54 (a) A city, county, or city and county that created a redevelopment agency, as defined in Section 33003 of the Health and Safety Code, shall neither initiate creation of a district, or participate in the governance or financing of a district, until it receives certification from the Department of Finance that each of the following has occurred:

(1) The successor agency for the former redevelopment agency created by the city, county or city and county has received a finding of completion, as specified in Section 34179.7 of the Health and Safety Code.

(2) The state and the successor agency for the former redevelopment agency created by the city, county or city and county, or if applicable the designated local authority for the former redevelopment agency, have resolved all litigation, related to Part 1.8 (commencing with Section 34161) or Part 1.85 (commencing with Section 34170) of the Health and Safety Code, either through settlement or through the final determination, including all appeals, of a competent court of law.

(3) The state and the entity that created the former redevelopment agency have resolved all litigation, related to Part 1.8 (commencing with Section 34161) or Part 1.85 (commencing with Section 34170) of the Health and Safety Code, either through settlement or through the final determination, including all appeals, of a competent court of law. For purposes of this paragraph, "entity that created the former redevelopment agency" shall also include entities as defined in Section 34167.10 of the Health and Safety Code.

(4) The State Controller's Office has completed its review as specified in Section 34167.5 and Section 34178.8 of the Health and Safety Code.

(5) The successor agency and the entity that created the former redevelopment agency have complied with all State Controller's Office findings and orders stemming from the reviews as specified in paragraph (4).

(b) A city, county, or city and county shall submit its certification request to Finance, in the form and manner specified by the department. Within 10 business days of receiving a certification request, the department shall provide the certification or shall notify the requesting entity of the reason why the certification is being denied. The department shall not deny a certification if the requesting entity and successor agency have complied with paragraphs (1) to (5), inclusive, of subdivision (a).

SEC 6. Government Code section 53398.55 is added to read:

53398.55. (a) A district may include any portion of a former redevelopment project area that was previously created pursuant to Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code, provided that the city, county, or city and county that created the former redevelopment agency has received a certification from the Department of Finance pursuant to Section 53398.54. In cases where a district overlaps with a former redevelopment project area, the district shall encompass the entirety of the former redevelopment project area.

(b) A district may finance only the facilities authorized in this chapter to the extent that the facilities are in addition to those provided in the territory of the district before the district was

created. The additional facilities may not supplant facilities already available within that territory when the district was created but may supplement, rehabilitate, upgrade, or make more sustainable those facilities.

(c) A district may include areas which are not contiguous.

SEC 7. Government Code section 53398.56 is added to read:

53398.56. It is the intent of the Legislature that the creation of the districts should not ordinarily lead to the removal of existing dwelling units. If, however, any dwelling units are proposed to be removed or destroyed in the course of private development or public works construction within the area of the district, the infrastructure financing plan adopted pursuant to Section 53398.72 shall contain provisions to do all of the following:

(a) Within four years of the removal or destruction, cause or require the construction or rehabilitation, for rental or sale to persons or families of low or moderate income, of an equal number of replacement dwelling units at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, within the territory of the district if the dwelling units removed were inhabited by persons or families of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

(b) Within four years of the removal or destruction, cause or require the construction or rehabilitation, for rental or sale to persons of low or moderate income, a number of dwelling units which is at least one unit but not less than 20 percent of the-total-dwelling units removed at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, within the territory of the district if the dwelling units removed or destroyed were not inhabited by persons of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

(c) Provide relocation assistance and make all the payments required by Chapter 16 (commencing with Section 7260) of Division 7 of Title 1, to persons displaced by any public or private development occurring within the territory of the district. This displacement shall be deemed to be the result of public action.

(d) Ensure that removal or destruction of any dwelling units occupied by persons or families of low or moderate income not take place unless and until there are suitable housing units, at comparable cost to the units from which the persons or families were displaced, available and ready for occupancy by the residents of the units at the time of their displacement. The housing units shall be suitable to the needs of these displaced persons or families, and shall be decent, safe, sanitary, and otherwise standard dwellings.

(e) (1) The district shall require, by recorded covenants or restrictions, that housing units built pursuant to this section shall remain available at affordable housing costs to, and occupied by, persons and families of low- or moderate-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for owner-occupied units.

(2) In lieu of a 45-year covenant or restriction, the district may subject owner-occupied units to an equity sharing agreement described in paragraph (2) of subdivision (c) of Section 65915.

SEC 8. Government Code section 53398.57 is added to read:

53398.57. Any action or proceeding to attack, review, set aside, void, or annul the creation of a district, adoption of an infrastructure financing plan, including a division of taxes thereunder, or an election pursuant to this chapter shall be commenced within 30 days after the enactment of the ordinance creating the district pursuant to Section 53398.74. Consistent with the time limitations of this section, such an action or proceeding with respect to a division of taxes under this chapter may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure, except that Section 869 of the Code of Civil Procedure shall not apply.

SEC 9. Government Code section 53398.58 is added to read:

53398.58. An action to determine the validity of the issuance of bonds pursuant to this chapter may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure. However, notwithstanding the time limits specified in Section 860 of the Code of Civil Procedure, the action shall be commenced within 30 days after adoption of the resolution pursuant to Section 53398.81 providing for issuance of the bonds if the action is brought by an interested person pursuant to Section 863 of the Code of Civil Procedure. Any appeal from a judgment in that action or proceeding shall be commenced within 30 days after entry of judgment.

SEC. 10. Government Code section 53398.59 is added to read:

53398.59. A legislative body of a city, county, or city and county may designate one or more proposed enhanced infrastructure financing districts pursuant to this chapter. Proceedings for the establishment of a district shall be instituted by the adoption of a resolution of intention to establish the proposed district and shall do all of the following:

(a) State that an enhanced infrastructure financing district is proposed to be established under the terms of this chapter and describe the boundaries of the proposed district, which may be accomplished by reference to a map on file in the office of the clerk of the city.

(b) State the type of public facilities and development proposed to be financed or assisted by the district in accordance with section 53398.52.

(c) State the need for the district and the goals the district proposes to achieve.

~~(e)~~ (d) State that incremental property tax revenue from the city, county, or city and county and some or all affected taxing entities within the district, if approved by resolution pursuant to Section 53398.68, may be used to finance these activities.

~~(d)~~ (e) Fix a time and place for a public hearing on the proposal.

SEC 11. Government Code section 53398.60 is added to read:

53398.60. The legislative body shall direct the clerk to mail a copy of the resolution of intention to create the district to each owner of land within the district.

SEC 12. Government Code section 53398.61 is added to read:

53398.5.61. The legislative body shall direct the clerk to mail a copy of the resolution to each affected taxing entity.

SEC 13. Government Code section 53398.62 is added to read:

53398.62. After adopting the resolution pursuant to Section 53398.59, the legislative body shall designate and direct the city or county engineer or other appropriate official to prepare an infrastructure plan pursuant to Section 53398.63.

SEC 14. Government Code section 53398.63 is added to read:

53398.63. After receipt of a copy of the resolution of intention to establish a district, the official designated pursuant to Section 53395.62 shall prepare a proposed infrastructure financing plan.

The infrastructure financing plan shall be consistent with the general plan of the city, county or city and county within which the district is located and shall include all of the following:

(a) A map and legal description of the proposed district, which may include all or a portion of the district designated by the legislative body in its resolution of intention.

(b) A description of the public facilities and other forms of development or financial assistance that is proposed in the area of the district, including those to be provided by the private sector, those to be provided by governmental entities without assistance under this chapter, those public improvements and facilities to be financed with assistance from the proposed district, and those to be provided jointly. The description shall include the proposed location, timing, and costs of the development and financial assistance.

(c) A finding that the development and financial assistance are of communitywide significance and provide significant benefits to an area larger than the area of the district.

(d) A financing section, which shall contain all of the following information:

(1) A specification of the maximum portion of the incremental tax revenue of the city, county, or city and county and of each affected taxing entity proposed to be committed to the district for each year during which the district will receive incremental tax revenue. The portion need not be the same for all affected taxing entities. The portion may change over time.

(2) A projection of the amount of tax revenues expected to be received by the district in each year during which the district will receive tax revenues, including an estimate of the amount of tax revenues attributable to each affected taxing entity for each year.

(3) A plan for financing the public facilities to be assisted by the district, including a detailed description of any intention to incur debt.

(4) A limit on the total number of dollars of taxes which may be allocated to the district pursuant to the plan.

(5) (A) A date on which the district will cease to exist, by which time all tax allocation to the district will end. The date shall not be more than 45 years from the date on which the issuance of bonds is approved pursuant to subdivision (a) of Section 53398.81, or the issuance of a loan is approved by the governing board of a local agency pursuant to Section 53398.87.

(B) Notwithstanding any other provision of law, if the issuance of bonds pursuant to subdivision (a) of Section 53398.81, or the issuance of a loan pursuant to Section 53398.87, has not occurred within 25 years of the date that the infrastructure financing plan is approved and adopted pursuant to Section 53397.23, the approval and adoption of the plan shall be rendered null and void, and the plan shall terminate.

(6) An analysis of the costs to the city, county, or city and county of providing facilities and services to the area of the district while the area is being developed and after the area is developed. The plan shall also include an analysis of the tax, fee, charge, and other revenues expected to be received by the city or county as a result of expected development in the area of the district.

(7) An analysis of the projected fiscal impact of the district and the associated development upon each affected taxing entity.

(8) A plan for financing any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of that district and qualifies for the Transit Priority Project Program, pursuant to Section 65470, including any permit and affordable housing expenses related to the project.

(e) If any dwelling units occupied by persons or families are proposed to be removed or destroyed in the course of private development or public works construction within the area of the district, a plan providing for replacement of those units and relocation of those persons or families consistent with the requirements of Section 53398.56.

(f) The goals the district proposes to achieve for each project financed pursuant to Section 53398.52.

SEC. 15. Government Code section 53398.64 is added to read:

53398.64. The infrastructure financing plan shall be sent to each owner of land within the proposed district and to each affected taxing entity together with any report required by the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) that pertains to the proposed public facilities or the proposed development project for which the public facilities are needed, and shall be made available for public inspection. The report shall also be sent to the planning commission and the legislative body.

SEC. 16. Government Code section 53398.65 is added to read:

53398.65. The designated official shall consult with each affected taxing entity, and, at the request of any affected taxing entity, shall meet with representatives of an affected taxing entity. Any affected taxing entity may suggest revisions to the plan.

SEC. 17. Government Code section 53398.66 is added to read:

53398.66. The legislative body shall conduct a public hearing prior to adopting the proposed infrastructure financing plan. The public hearing shall be called no sooner than 60 days after the plan has been sent to each affected taxing entity. In addition to the notice given to landowners and affected taxing entities pursuant to Sections 53398.60 and 53398.611, notice of the public hearing shall be given by publication not less than once a week for four successive weeks in a newspaper of general circulation published in the city or county in which the proposed district is located. The notice shall state that the district will be used to finance public works, briefly describe the public works, briefly describe the proposed financial arrangements, including the proposed commitment of incremental tax revenue, describe the boundaries of the proposed district and state the day, hour, and place when and where any persons having any objections to the proposed infrastructure financing plan, or the regularity of any of the prior proceedings, may appear before the legislative body and object to the adoption of the proposed plan by the legislative body.

SEC. 18. Government Code section 53398.67 is added to read:

53398.67. At the hour set in the required notices, the legislative body shall proceed to hear and pass upon all written and oral objections. The hearing may be continued from time to time. The legislative body shall consider the recommendations, if any, of affected taxing entities, and all evidence and testimony for and against the adoption of the plan. The legislative body may modify the plan by eliminating or reducing the size and cost of proposed public works, by reducing the amount of proposed debt, or by reducing the portion, amount, or duration of incremental tax revenues to be committed to the district.

SEC. 19. Government Code section 53398.68 is added to read:

53398.68. (a) The legislative body shall not enact a resolution proposing formation of a district and providing for the division of taxes of any affected taxing entity pursuant to Article 3 (commencing with Section 53396) unless a resolution approving the plan has been adopted by the governing body of each affected taxing entity which is proposed to be subject to division of

taxes pursuant to Article 3 (commencing with Section 53396) and has been filed with the legislative body at or prior to the time of the hearing.

(b) Nothing in this section shall be construed to prevent the legislative body from amending its infrastructure financing plan and adopting a resolution proposing formation of the enhanced infrastructure financing district without allocation of the tax revenues of any affected taxing entity which has not approved the infrastructure financing plan by resolution of the governing body of the affected taxing entity.

SEC. 20. Government Code section 53398.69 is added to read:

53398.69: (a) At the conclusion of the hearing, the legislative body may adopt a resolution proposing adoption of the infrastructure financing plan, as modified, and formation of the infrastructure financing district in a manner consistent with Section 53398.68, or it may abandon the proceedings. If the legislative body adopts a resolution proposing formation of the district, it shall then submit the proposal to create the district to the qualified electors of the proposed district in the next general election or in a special election to be held, notwithstanding any other requirement, including any requirement that elections be held on specified dates, contained in the Elections Code, at least 90 days, but not more than 180 days, following the adoption of the resolution of formation. The legislative body shall provide the resolution of formation, a certified map of sufficient scale and clarity to show the boundaries of the district, and a sufficient description to allow the election official to determine the boundaries of the district to the official conducting the election within three business days after the adoption of the resolution of formation. The assessor's parcel numbers for the land within the district shall be included if it is a landowner election or the district does not conform to an existing district's boundaries and if requested by the official conducting the election. If the election is to be held less than 125 days following the adoption of the resolution of formation, the concurrence of the election official conducting the election shall be required. However, any time limit specified by this section or requirement pertaining to the conduct of the election may be waived with the unanimous consent of the qualified electors of the proposed district and the concurrence of the election official conducting the election.

(b) If at least 12 persons have been registered to vote within the territory of the proposed district for each of the 90 days preceding the close of the hearing, the vote shall be by the registered voters of the proposed district, who need not necessarily be the same persons, with each voter having one vote. Otherwise, the vote shall be by the landowners of the proposed district and each landowner who is the owner of record at the close of the protest hearing, or the authorized representative thereof, shall have one vote for each acre or portion of an acre of land that he or she owns within the proposed district. The number of votes to be voted by a particular landowner shall be specified on the ballot provided to that landowner.

(c) Ballots for the special election authorized by subdivision (a) may be distributed to qualified electors by mail with return postage prepaid or by personal service by the election official. The official conducting the election may certify the proper mailing of ballots by an affidavit, which shall be exclusive proof of mailing in the absence of fraud. The voted ballots shall be returned to the election officer conducting the election not later than the hour specified in the resolution calling the election. However, if all the qualified voters have voted, the election shall be closed.

SEC. 21. Government Code section 53398.70 is added to read:

53398.70. (a) Except as otherwise provided in this chapter, the provisions of law regulating elections of the local agency that calls an election pursuant to this chapter, insofar as they may be applicable, shall govern all elections conducted pursuant to this chapter. Except as provided in subdivision (b), there shall be prepared and included in the ballot material provided to each

voter, an impartial analysis pursuant to Section 9160 or 9280 of the Elections Code, arguments and rebuttals, if any, pursuant to Sections 9162 to 9167, inclusive, and 9190 of the Elections Code or pursuant to Sections 9281 to 9287, inclusive, and 9295 of the Elections Code.

(b) If the vote is to be by the landowners of the proposed district, analysis and arguments may be waived with the unanimous consent of all the landowners and shall be so stated in the order for the election.

SEC. 22. Government Code section 53398.71 is added to read:

53398.71. (a) If the election is to be conducted by mail ballot, the election official conducting the election shall provide ballots and election materials pursuant to subdivision (d) of Section 53326 and Section 53327, together with all supplies and instructions necessary for the use and return of the ballot.

(b) The identification envelope for return of mail ballots used in landowner elections shall contain the following:

(1) The name of the landowner.

(2) The address of the landowner.

(3) A declaration, under penalty of perjury, stating that the voter is the owner of record or the authorized representative of the landowner entitled to vote and is the person whose name appears on the identification envelope.

(4) The printed name and signature of the voter.

(5) The address of the voter.

(6) The date of signing and place of execution of the declaration pursuant to paragraph (3).

(7) A notice that the envelope contains an official ballot and is to be opened only by the canvassing board.

SEC 23. Government Code section 53398.72 is added to read:

53398.72. After the canvass of returns of any election pursuant to Section 53398.69, the legislative body may, by ordinance, adopt the infrastructure financing plan and create the district with full force and effect of law, if fifty-five percent of the votes upon the question of creating the district are in favor of creating the district.

SEC 24. Government Code section 53398.73 is added to read:

53398.73. After the canvass of returns of any election conducted pursuant to Section 53398.69, the legislative body shall take no further action with respect to the proposed infrastructure financing district for one year from the date of the election if the question of creating the district fails to receive approval by ~~two-thirds~~ fifty-five percent of the votes cast upon the question.

SEC. 25. Government Code section 53398.74 is added to read:

53398.74. The legislative body may submit a proposition to establish or change the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of a district to the qualified electors of a proposed or established district. The proposition establishing or changing the appropriations limit shall become effective if approved by the qualified electors voting on the proposition and shall be adjusted for changes in the cost of living and changes in populations, as defined by subdivisions (b) and (c) of Section 7901, except that the change in population may be estimated by the legislative body in the absence of an estimate by the Department of Finance, and in accordance with Section 1 of Article XIII B of the California Constitution. For purposes of adjusting for changes in population, the population

of the district shall be deemed to be at least one person during each calendar year. Any election held pursuant to this section may be combined with any election held pursuant to Section 53398.5.19 in any convenient manner.

SEC 26. Government Code section 53398.75 is added to read:

53398.75. Any infrastructure financing plan may contain a provision that taxes, if any, levied upon taxable property in the area included within the enhanced infrastructure financing district each year by or for the benefit of the State of California, or any affected taxing entity after the effective date of the ordinance adopted pursuant to Section 53398.72 to create the district, shall be divided as follows:

(a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the affected taxing entities upon the total sum of the assessed value of the taxable property in the district as shown upon the assessment roll used in connection with the taxation of the property by the affected taxing entity, last equalized prior to the effective date of the ordinance adopted pursuant to Section 53398.72 to create the district, shall be allocated to, and when collected shall be paid to, the respective affected taxing entities as taxes by or for the affected taxing entities on all other property are paid.

(b) That portion of the levied taxes each year specified in the adopted infrastructure financing plan for the city or county and each affected taxing entity which has agreed to participate pursuant to Section 53398.68 in excess of the amount specified in subdivision (a) shall be allocated to, and when collected shall be paid into a special fund of, the district for all lawful purposes of the district. Unless and until the total assessed valuation of the taxable property in a district exceeds the total assessed value of the taxable property in the district as shown by the last equalized assessment roll referred to in subdivision (a), all of the taxes levied and collected upon the taxable property in the district shall be paid to the respective affected taxing entities. When the district ceases to exist pursuant to the adopted infrastructure financing plan, all moneys thereafter received from taxes upon the taxable property in the district shall be paid to the respective affected taxing entities as taxes on all other property are paid.

(c) Notwithstanding subdivisions (a) and (b), where any district boundaries overlap with the boundaries of any former redevelopment project area, any debt or obligation of a district shall be subordinate to any and all enforceable obligations of the former redevelopment agency, as approved by the Oversight Board and the Department of Finance. For the purposes of this chapter, the division of taxes allocated to the district pursuant to subdivision (b) of Section 53396 shall not include any taxes required to be deposited by the county auditor-controller into the Redevelopment Property Tax Trust Fund created pursuant to subdivision (b) of Section 34170.5 of the Health and Safety Code.

(d) The legislative body of the city forming the district may choose to dedicate any portion of its net available revenue to the district through the financing plan described in Section 53398.63.

(e) For the purposes of this section, "net available revenue" means periodic distributions to the city from the Redevelopment Property Tax Trust Fund, created pursuant to Section 34170.5 of the Health and Safety Code, that are available to the city after all preexisting legal commitments and statutory obligations funded from that revenue are made pursuant to Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code. "Net available revenue" shall not include any funds deposited by the county auditor-controller into the Redevelopment Property Tax Trust Fund or funds remaining in the Redevelopment Property Tax Trust Fund prior to distribution. Net available revenues shall not include any moneys payable to a school district that maintains kindergarten and grades 1 to 12, inclusive, community college districts, county office of education, or to the Educational Revenue Augmentation Fund, pursuant to paragraph (4) of subdivision (a) of Section 34183 of the Health and Safety Code.

(f) That portion of any ad valorem property tax revenue annually allocated to a city, a county, or a city and county pursuant to Section 97.70 of the Revenue and Taxation Code that is specified in the adopted infrastructure financing plan for the city, county, or city and county that has agreed to participate pursuant to Section 53398.68, and that corresponds to the increase in the assessed valuation of taxable property shall be allocated to, and when collected shall be apportioned to a special fund of the district for all lawful purposes of the district.

(1) When the district ceases to exist pursuant to the adopted infrastructure financing plan, the revenues described in this subdivision shall be allocated to, and when collected, shall be apportioned to the respective city, county, or city and county.

(g) Nothing in this section shall be construed to prevent a district from utilizing revenues from any of the following sources to support its activities provided that (1) the applicable voter approval has been granted, and (2) the infrastructure financing plan has been approved pursuant to Section 53398.72:

(1) The Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code).

(2) The Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000) of the Streets and Highways Code).

(3) The Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code).

(4) The Landscaping and Lighting Act of 1972 (Part 2 (commencing with Section 22500) of Division 15 of the Streets and Highways Code).

(5) The Vehicle Parking District Law of 1943 (Part 1 (commencing with Section 31500) of Division 18 of the Streets and Highways Code).

(6) The Parking District Law of 1951 (Part 4 (commencing with Section 35100) of Division 18 of the Streets and Highways Code).

(7) The Park and Playground Act of 1909 (Chapter 7 (commencing with Section 38000) of Part 2 of Division 3 of Title 4 of this code).

(8) The Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of this title).

(9) The Benefit Assessment Act of 1982 (Chapter 6.4 (commencing with Section 54703) of Part 1 of Division 2 of this title).

(10) The so-called facilities benefit assessment levied by the charter city of San Diego or any substantially similar assessment levied for the same purpose by any other charter city pursuant to any ordinance or charter provision.

SEC. 27. Government Code section 53398.76 is added to read:

53398.76. All costs incurred by a county in connection with the division of taxes pursuant to Section 53398.75 for a district shall be paid by that district.

SEC. 28. Government Code section 53398.77 is added to read:

53398.77. The legislative body may, by majority vote, initiate proceedings to issue bonds pursuant to this chapter by adopting a resolution stating its intent to issue the bonds.

SEC. 29. Government Code section 53398.78 is added to read:

53398.78. The resolution adopted pursuant to Section 53398.77 shall contain all of the following information:

(a) A description of the facilities to be financed with the proceeds of the proposed bond issue.

(b) The estimated cost of the facilities, the estimated cost of preparing and issuing the bonds, and the principal amount of the proposed bond issuance.

(c) The maximum interest rate and discount on the proposed bond issuance.

(d) The date of the election on the proposed bond issuance and the manner of holding the election.

(e) A determination of the amount of tax revenue available or estimated to be available, for the payment of the principal of, and interest on, the bonds.

(f) A finding that the amount necessary to pay the principal of, and interest on, the proposed bond issuance will be less than, or equal to, the amount determined pursuant to subdivision (e).

SEC. 30. Government Code section 53398.79 is added to read:

53398.79. The clerk of the legislative body shall publish the resolution adopted pursuant to Section 53398.77 once a day for at least seven successive days in a newspaper published in the city or county at least six days a week, or at least once a week for two successive weeks in a newspaper published in the city or county less than six days a week.

If there are no newspapers meeting these criteria, the resolution shall be posted in three public places within the territory of the district for two succeeding weeks.

SEC. 31. Government Code section 53398.80 is added to read:

53398.80. The legislative body shall submit the proposal to issue the bonds to the voters who reside within the district. The election shall be conducted in the same manner as the election to create the district pursuant to Section 53398.69 and the two elections may be consolidated.

SEC. 32. Government Code section 53398.81 is added to read:

53398.81. (a) The bonds may be issued if fifty-five percent of the voters voting on the proposition vote in favor of issuing the bonds.

(b) If the voters approve the issuance of the bonds as provided by subdivision (a), the legislative body shall proceed with the issuance of the bonds by adopting a resolution which shall provide for all of the following:

(1) The issuance of the bonds in one or more series.

(2) The principal amount of the bonds, which shall be consistent with the amount specified in subdivision (b) of Section 53398.78.

(3) The date the bonds will bear.

(4) The date of maturity of the bonds.

(5) The denomination of the bonds.

(6) The form of the bonds.

(7) The manner of execution of the bonds.

(8) The medium of payment in which the bonds are payable.

(9) The place or manner of payment and any requirements for registration of the bonds.

(10) The terms of call or redemption, with or without premium.

SEC. 33. Government Code section 53398.82 is added to read:

53398.82. If any proposition submitted to the voters pursuant to this chapter is defeated by the voters, the legislative body shall not submit, or cause to be submitted, a similar proposition to the voters for at least one year after the first election.

SEC. 34. Government Code section 53398.83 is added to read:

53398.83. The legislative body may, by majority vote, provide for refunding of bonds issued pursuant to this chapter. However, refunding bonds shall not be issued if the total net interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds exceeds the total net interest cost to maturity on the bonds to be refunded. The legislative body may not extend the time to maturity of the bonds.

SEC. 35. Government Code section 53398.84 is added to read:

53398.84. The legislative body or any person executing the bonds shall not be personally liable on the bonds by reason of their issuance. The bonds and other obligations of a district issued pursuant to this chapter are not a debt of the city, county, or state or of any of its political subdivisions, other than the district, and none of those entities, other than the district, shall be liable on the bonds and the bonds or obligations shall be payable exclusively from funds or properties of the district. The bonds shall contain a statement to this effect on their face. The bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation.

SEC. 36. Government Code section 53398.85 is added to read:

53398.85. The bonds may be sold at discount not to exceed 5 percent of par at public sale. At least five days prior to the sale, notice shall be published, pursuant to Section 6061, in a newspaper of general circulation and in a financial newspaper published in the City and County of San Francisco and in the City of Los Angeles. The bonds may be sold at not less than par to the federal government at private sale without any public advertisement.

SEC. 37. Government Code section 53398.86 is added to read:

53398.86. If any member of the legislative body whose signature appears on bonds ceases to be a member of the legislative body before delivery of the bonds, his or her signature is as effective as if he or she had remained in office. Bonds issued pursuant to this chapter are fully negotiable.

SEC 38. Government Code section 53398.87 is added to read:

53398.87. Upon the approval of its governing board, a city, a county, a city and county, or a special district that contains territory within the boundaries of a district, may loan monies to the district to fund those activities described in the infrastructure financing plan approved and adopted pursuant to Section 53398.72. Monies loaned pursuant to this provision may be repaid at an interest rate that does not exceed the Local Agency Investment Fund rate that is in effect on the date that the loan is approved by the governing board.

SEC 39. Government Code section 53398.88 is added to read:

53395.88. (a) Every two years after the issuance of debt pursuant to Section 53398.81, the district shall contract for an independent financial and performance audit. The audit shall be conducted according to guidelines established by the Controller. A copy of the completed audit shall be provided to the Controller, the Director of Finance, and to the Joint Legislative Budget Committee.

(b) Upon the request of the Governor or of the Legislature, the Department of Finance shall be authorized to conduct financial and performance audits of districts. The results of such audits shall be provided to the district, the Controller, and the Joint Legislative Budget Committee.